

Chapter 5

Fiscal Resource Overview

The FY 2002 budget continues to emphasize the primacy of the Marine Air Ground Task Forces (MAGTFs) and balances our resources across the four pillars upon which readiness is built. These pillars are: Marines and their families, legacy systems, modernization, and infrastructure. Properly funding these four pillars is absolutely essential to ensure we remain ready, relevant and capable as we enter the 21st century.

Marines and their families are our first priority and our greatest success story. We continue to dedicate resources to attract and retain quality young men and women. Our individual and unit training continue to be demanding and rewarding enough to build an esprit de corps that is unequalled in any other service. Recent quality of life improvements in pay and retirement allowances, as well as health care benefits, will help us retain our highly qualified Marines.

Our second pillar of readiness, our legacy systems, is key to near-term readiness. This is the equipment, aircraft, and weapons systems currently in the inventory of our MAGTFs. Many of these systems have reached or exceeded the end of their useful service lives. We are facing block obsolescence in our major ground and aviation equipment. The costs to maintain these systems – in terms of both dollars and man-hours – continues to climb. We have taken maximum advantage of Service Life Extension Programs, which enable us to marginally improve our legacy systems, but these programs cannot fulfill our modernization needs. Our reliance on aging equipment negatively impacts our capabilities in many ways – the buildup of combat power ashore is delayed and more predictable, our ability to conduct in-stride breaching of mines and obstacles is limited, and the range of our artillery must keep pace with the improved mobility of our forces and the defensive technologies available to potential enemies. Additionally, the countless hours of maintenance on our aging equipment directly impacts the quality of life of our Marines. We can no longer afford to delay modernization of our force.

Modernization of our ground equipment and aircraft has been one of the principal bill payers for near-term readiness for most of the last decade. During the last eight years of the nineties, Marine Corps ground and aviation equipment funding was well below the “steady state” level. This extended period of underfunding has driven the recovery rate of modernization of our equipment and aircraft above the historical, “steady state” level. It will take a sustained period of increased funding to recover from years of underfunding. We have a balanced, viable plan to field new and improved ground and aviation equipment, such as the High Mobility Multi-Purpose Wheeled Vehicle (HMMWV A2), the Advanced Amphibious Assault Vehicle (AAAV), the High Mobility Artillery Rocket System (HIMARS), the lightweight 155mm howitzer, the MV-22, KC-130J, AH-1Z/UH-1Y, and the JSF, however, we must accelerate the pace at which we do so.

Our infrastructure, Marine Corps bases and stations, is the platform for developing, training, and maintaining our Marines. It also serves as the centerpiece for our quality of life programs. As with equipment modernization, infrastructure (Family Housing, Maintenance of Real Property, and Military Construction) has long been a bill-payer for near-term readiness. With regard to family housing, our goal is the elimination of inadequate units by fiscal year 2010. While we are on schedule to revitalize our current inventory by FY10, we are unable to address our current deficiency. In the last several years we have been able to arrest our previously growing backlog of maintenance and repair (BMAR) at approximately \$650 million,

however, this is well short of our goal to reduce BMAR to \$100 million by FY10. Restoration of our deteriorating infrastructure is not limited to reducing our BMAR, but includes Military Construction as well. Fiscal constraints have forced difficult choices that result in funding only our most critical construction requirements. Although we have made some progress toward reducing our military construction replacement cycle over the last few years, we lag far behind the industry standard. The state of our infrastructure, like our legacy systems, affects the quality of life of our Marines and their families. It does and will continue to influence training and retention. In short, an adequate infrastructure is a key to the survival of our “all recruited force.”

Today, the Marine Corps is capable of executing its peacetime and wartime missions with the probability of success that the Nation expects today. While we have made significant progress toward solving some of our most pressing needs, solutions to our problems will not be achieved overnight. Meeting tomorrow’s challenges and maintaining the “expeditionary force in readiness” our nation requires will take a sustained period of increased investment in equipment modernization and infrastructure.